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Venezuela

Post: Caracas

Dairy Industry Requests Price Evaluation

Report Categories:

Dairy and Products

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Report Highlights:

Post Provides an informal translation of the dairy industry's request for a price review.

General Information:

Industry requests dairy prices evaluation

Begin Informal Translation

Venezuela's dairy industry has requested that the Government recognize increases in the cost of production for milk and cheese, and authorization for a new increase in consumer prices which

corresponds to the rate of inflation, higher world prices of raw materials, and the recent currency devaluation.

Cavilac, a dairy industry association, proposes an average increase of 41 percent per kilogram of milk powder, or from 15 Bolivars to 21.18 Bolivars, an amount that more closely reflects greater production costs and the price of imported raw materials, in their opinion.

In the case of fluid milk, Cavilac suggests a maximum of five Bolivars for a 0.9 liter package, or a 56 percent increase compared to the current price of 3.20 Bolivars. The milk industry claims that this increase would allow it to cover the production costs which include 2.66 Bolivars paid for raw milk by the plants as well as processing, packaging, labor, and commercialization margins.

Likewise, Cavilac proposes a price review for soft white cheese regulated at 24.28 Bolivars, which, according to industry calculations should increase 85 percent in order to place itself at 44.80 Bolivars per kilogram for the final consumer. The industry notes that packaging, raw material, and labor prices have increased more than 70 percent. They also request an adjustment of at least 80 percent for the price of Gouda, Yellow and other regulated cheese varieties.

End Informal Translation